Work Wear Corporation Annual Report 1969

WORK WEAR

File

Work Wear Corporation, 1768 East 25th Street, Cleveland, Ohio

Financial Highlights

	1969	1968
Total Revenues	$108,658,000	$95,889,000
Net Income	4,015,000	5,014,000
Shareholders' Equity	33,733,000	30,289,000
Working Capital	29,132,000	24,709,000
Total Assets	94,452,000	83,712,000

PER SHARE

	1969	1968
Net Income	$ 1.40	$ 1.80
Common Stock Dividends	.60	.60
Common Shareholders' Equity	12.10	11.02

(Inside front and back cover)

A Few of Work Wear's Prominent Customers

Work Wear serves almost every major industry in the United States. The company's operations cover such diverse sectors of the economy as transportation, mining, manufacturing, distribution and utilities. We count among our customers government agencies on the national, state and local level, for instance; the National Aeronautics and Space Administration, the U. S. Post Office Department, the New York Police Department, and the Washington, D.C. Police Department, to name a few. Customers for our products range in size from established corporate giants to relatively fledgling enterprises. Our customers recognize that the appearance and morale of company employees is an integral part of their continuing progress. The attractive, comfortable and durable work and "Career-Oriented" clothing supplied and maintained by Work Wear is an essential ingredient in helping them to achieve this objective.

To Our Shareholders:

Total revenues for 1969 were the highest in the Company's history, amounting to $108,658,000 compared with $95,889,000 for 1968. Income from rental services totaled $63,765,000 compared with $62,167,000 for the previous year. Sales of manufactured products amounted to $44,893,000, up from $33,722,000 reported for 1968.

As was the case with many other companies, earnings did not parallel the increase in revenues. Earnings in 1969 dropped to $4,015,000 from $5,014,000 reported for 1968. On a per share basis, earnings for the year amounted to $1.40 compared with $1.80 for the previous year based on an average number of shares outstanding of 2,746,054 shares and 2,689,207 shares, respectively.

Revenues and income for 1969 include six months operations of Sainthill Levine and Company, Limited, and associated companies, acquired during the year.

For the year as a whole, operations were penalized by higher labor and material costs coupled with substantially higher interest charges. The decrease in income was especially pronounced in the last quarter, which was severely affected by inventory write-downs.

In 1969 the twelve month reporting for Work Wear Corporation and all of its manufacturing subsidiaries changed from a calendar basis to the last Saturday in December to conform with the year ends of companies in our Rental Services Division. As a result, three days of revenues and profits of these companies were transferred to the year ending December 26, 1970. Per share earnings in 1969 were also down six cents as a result of additional stock outstanding due to debenture conversions and exercise of stock options and higher state and local income taxes.

With 1969 now behind us, we are projecting further increases in revenues in 1970 and a marked improvement in profit margins so that 1970 should be a highly satisfactory year for your Company. A number of organizational changes have been made in the areas of marketing, labor relations, plant production, engineering and cost control. The structure of your Company has been further decentralized into smaller profit centers and at the same time we have increased the availability of staff services to our various divisions. A cost control program has been instituted which is being coordinated with marketing efforts toward improving profitability of our various lines.

In April 1969, Charles A. Moore was elected a Director of Work Wear Corporation. Mr. Moore, Assistant to the Chairman of Dresser Industries, Inc., brings a distinguished background to the Board of Directors. He is Chairman of Manning, Maxwell & Moore, A.G., Zurich, Switzerland; Chairman, Dresser Europe, S.A.; and Director of U.S. Industries, Inc.; Baldwin Securities Corp., World Wildlife Fund (New York) and Colony North, Inc., Atlanta, Ga.

The civil antitrust complaint filed against Work Wear Corporation by the United States Department of Justice on June 28, 1968, is still pending. The complaint alleges that the Company's acquisitions of industrial laundries and work clothes manufacturers might lessen competition among manufacturers of work clothes by reducing their sales to industrial laundries.

In the numerous discussions and meetings held with Government representatives during the past eighteen months, your Company has presented a vigorous defense against these charges, documenting Work Wear's strong belief that the allegations are based on serious factual misconceptions. It is our hope that this issue will be resolved in 1970, with no adverse consequences for the Company.

On January 22, 1970, subject to shareholders' approval, your Company completed an agreement, first announced in October, 1969, to acquire Sunshine Uniform and Supply Co., Limited, Toronto, Ontario. Sunshine and its affiliated companies employ about 1,500 men and women in one of the largest industrial laundry and linen supply operations in Canada, serving the entire Province of Ontario through nine rental laundries, sixteen depots, one central manufacturing plant and approximately 200 routes. The Sunshine Group should add over $14 million to our annual sales.

This acquisition is Work Wear's second Canadian venture in the past nine months. In July, 1969, the Company, through Sainlee Industries, Limited, acquired Sainthill Levine and Company

Limited and associated companies, Canada's largest manufacturer of uniforms.

Sainlee, with its principal office in Toronto, manufactures, through its four divisions, a wide variety of civilian and military tailored uniforms widely used in transportation, industry and Government, as well as gowns and hoods for judicial, religious and academic institutions. They are the Canadian licensee for the manufacture of "Manhattan" shirts and Michaels/Stern men's clothing.

Your Company is highly optimistic about the current and future potential of its operations in Canada. These two new businesses are well managed and the possibilities for expanding their activities appear quite promising.

Work Wear, through its subsidiary, Red Star Industrial Service, has maintained an interest in Sani-Kleen Tokyo Co., Ltd. since 1964. This company, now ten years old, has grown rapidly in the dust control rental service and is now the acknowledged leader in this field. Work Wear believes there is tremendous potential in Japan and is now negotiating to acquire the total assets of Sani-Kleen Tokyo Co., Ltd. In addition, negotiations are under way to acquire another Japanese company in a similar field.

Our European Common Market subsidiary, Establissementen Van Moer, S.A., in Hulshout, Belgium, is a leading European manufacturer and distributor of service apparel and other work clothes. It now has distributors in Italy and West Germany and will be looking toward further expansion.

Work Wear's basic business continues to be the manufacture and rental of work clothing. This is a challenging field that offers exceptional possibilities for innovation and growth in the decade ahead. Many new techniques are being introduced. Synthetic blends, which allow greater versatility in styling, in addition to increased durability, are finding wide acceptance.

Many corporations and industries are seeking a more harmonious public image through "Career-Oriented Clothes." Work Wear recently developed a special line of garments for American Telephone & Telegraph Company in conjunction with the Bell System's new corporate identification program. Utilizing such well-known designers as Oleg Cassini and Bill Blass, your Company delivered a variety of attractive stylings and concepts, designed to enhance the appearance of Bell's male and female employees who meet the public. This new clothing will be tested in several areas of the country during 1970, and it is expected that a nation-wide program for Bell could be a possibility by 1971.

Early in January, 1970, more than 300 fashion editors from throughout the country were introduced to a number of Work Wear's "Career-Oriented Clothes" ideas during a "Fashionizing Industry" show, part of National Press Week sponsored by the New York Couture Business Council, Inc. As a result, articles in several hundred newspapers reflected their approval of our "Career-Oriented Clothes" concept and its fashions.

Your management is aggressively responding to the challenges facing industry today. We are confident the increased sales developed in 1969 and full utilization of our corporate resources provide a strong foundation for your Company's further growth.

One strong asset is our own employees, numbering over 10,000, for whom benefits and incentives have been expanded during the past year. The Samuel Rosenthal College Scholarship program, now in its third year of operation, assists sons and daughters of our employees with tuition, room and board, and books. To date eighteen students have benefited from this program and ten students will be added during 1970.

Your Company looks forward to the new year and the new decade with optimism and anticipation. The phenomenal population explosion has created a demand to clothe and service millions of men and women at all levels of employment. Work Wear, with its highly regarded line of products, services and facilities, is in a unique position to meet this demand.

The continued good will and support of our shareholders, along with the imaginative contributions from a most capable, conscientious Board of Directors, adds immeasurably to our sense of confidence about the future.

Respectfully submitted,

Leighton A. Rosenthal

Leighton A. Rosenthal
President

Rental Services Division

General upgrading of all phases of service, along with physical expansion, conversion to polyester/cotton uniforms and delivery "on hangers" were among the accomplishments of this division during 1969.

A program to standardize colors and design of all trucks in use across the country is well under way. The clean lines of the logo and fresh red, white and blue coloring will aid corporate identification (see photos).

A 10,000 square foot addition to the Gates-Admiral plant in San Diego, California, was completed during 1969. Also completed was an addition to the Neway, Opa-Locka, Florida plant, located in the suburbs of Miami.

Facilities in Tampa, Florida, have been doubled by the purchase of a building adjacent to The Dixie Uniform & Linen Supply plant.

Plans have been completed and construction will begin soon on an addition to the dry cleaning plant for Cal-Sweep in San Jose, California.

While increased business made these expansions necessary, our engineering staff has been making a concerted effort to implement cost reduction programs, at the same time increasing production efficiency. We feel that 1970 should reflect some of the results of these long range programs.

The Rental Services Division is a natural beneficiary of the work clothing fashion revolution and corporate identity programs. Union negotiations with larger employers are including "free uniforms" as fringe benefits. Companies which accept such provisions invariably find that rental is the least troublesome way of handling these programs. Work Wear has facilities which enable it to handle most effectively the needs of national employers, in all of their locations, in a uniform manner.

Corporate Identity—a growing need in modern business. American Telephone & Telegraph Company has initiated a pilot program.

Work Clothes, Service Apparel and Linen Division

The year 1969 was highlighted by the growing impetus of the fashion evolution in work clothes. Men and women who have become accustomed to high-styled leisure clothes in high-fashion colors are not content with drab work clothing. Corporate identity programs require distinguishing styles, colors and fabrics. More and more companies are demanding heavy-duty work clothes that don't look like work clothes.

But there is still a hard core group which believes that work clothing should look like work clothing, in conventional dark colors and fabrics.

Work Wear has accepted the challenge of accommodating both points of view, being in a position to serve all aspects of the market while at the same time maintaining leadership in this fashion explosion. A multiplicity of design efforts, inventories in greater varieties of merchandise, fabrics, etc., are by-products of this revolution which require more sophisticated controls.

Brew-Schneider Mfg. Company, Inc. reported a strong response from its customers for garments manufactured with synthetic blends. An up-grading of styles and a more pronounced use of color in all lines of manufacturing was noted during the year.

Specially designed garments furnished by Brew-Schneider to the Laugh-In Restaurant chain, soon to be nation wide.

Coordinated smocks and counter coats have greatly enhanced the Target Discount Department Store image.

Results of Brew-Schneider's operations for 1969 were improved over the similar 1968 period. The company broadened its existing lines, producing a variety of garments to meet the special requirements of a rising number of fast food and franchise operations, discount department stores and "corporate image" garments for many prominent companies.

Early projections for 1970 indicate much more activity in the synthetic field, an increase in business from promotional campaigns, and additional interest generated by contracts with nationally-known franchise and discount operators.

The growing interest in identifying uniforms, the normal population growth and the inclusion of work clothing as a fringe benefit in many union negotiations all foretell the greatly expanding market for your Company's products.

Disposables Division

The 70's are likely to become the Decade of the Disposables. The proliferation of garments for every field of activity has been so overwhelming that manufacturers are hard pressed, in a highly-competitive business, to keep up with demand.

Mars Manufacturing Company, Inc. which introduced disposables to the commercial scene approximately eight years ago, has continued to be well up among the leaders of this phenomenal new industry. During 1969 new records were set in sales and in the development of new business in what has been estimated by trade publications to be a multi-billion dollar market.

In recent years, Mars has developed a new source of business through the offer of premiums—disposable items available to wholesale and retail buyers. These items include such traditional garments as aprons, vests, bibs for babies, coveralls, an assortment of paper dresses and men's and boys' shirts. In addition, there have been such innovations as Karate coats, Scotch kilts, football jerseys, capes, swim trunks, tote bags and poly-coated raincoats, fraternity blazers and reunion hats and jackets.

Among Mars' customers are some of the leaders in their respective industries: Hallmark Cards, Sealtest, Armour & Co., Seven-Up Canada, Kentucky Fried Chicken, Minnesota Paints, American Telephone and Telegraph, Procter & Gamble, Union Carbide and Max Factor International.

For more than 35 years Mars has been a pioneer in the disposables industry and additionally it was among the first to introduce seamless hose, seamless stretch tights and the now remarkably successful panty stocking. Through the company's research and development division, Mars continues to look for newer, better and more economical ways to broaden its product lines. The future of the business appears extremely promising.

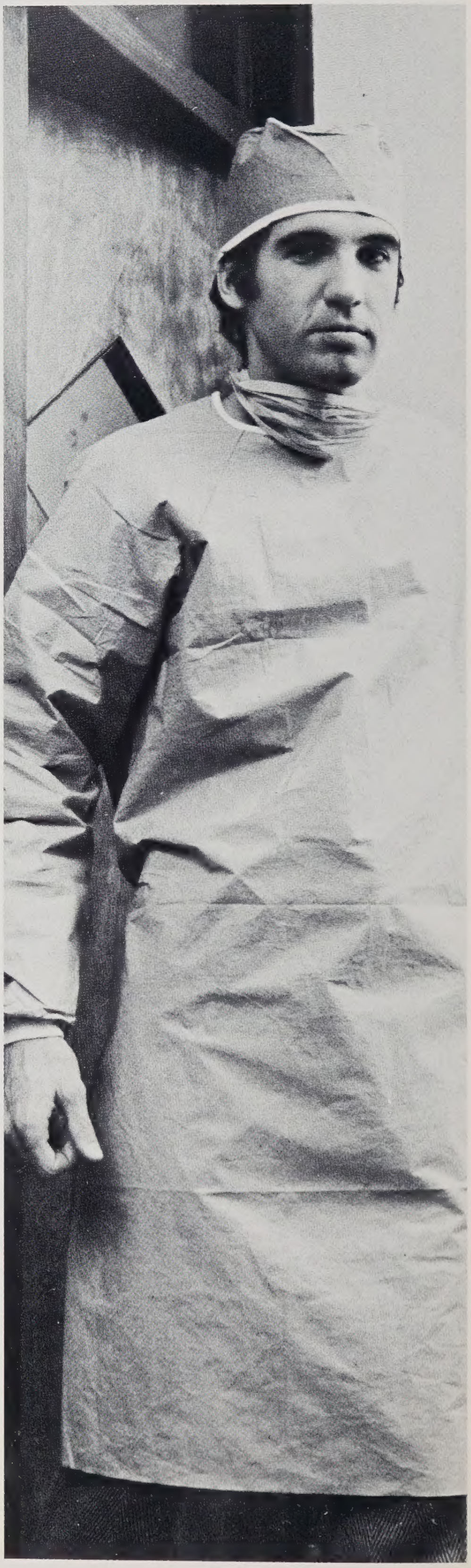
In the increasingly competitive disposables field, **Struble & Moffitt Company, Inc.** of Philadelphia is a prominent and respected name, offering a wide variety of high quality products, many of them protected by patents, and providing alert, dependable service for its many nationally-known customers.

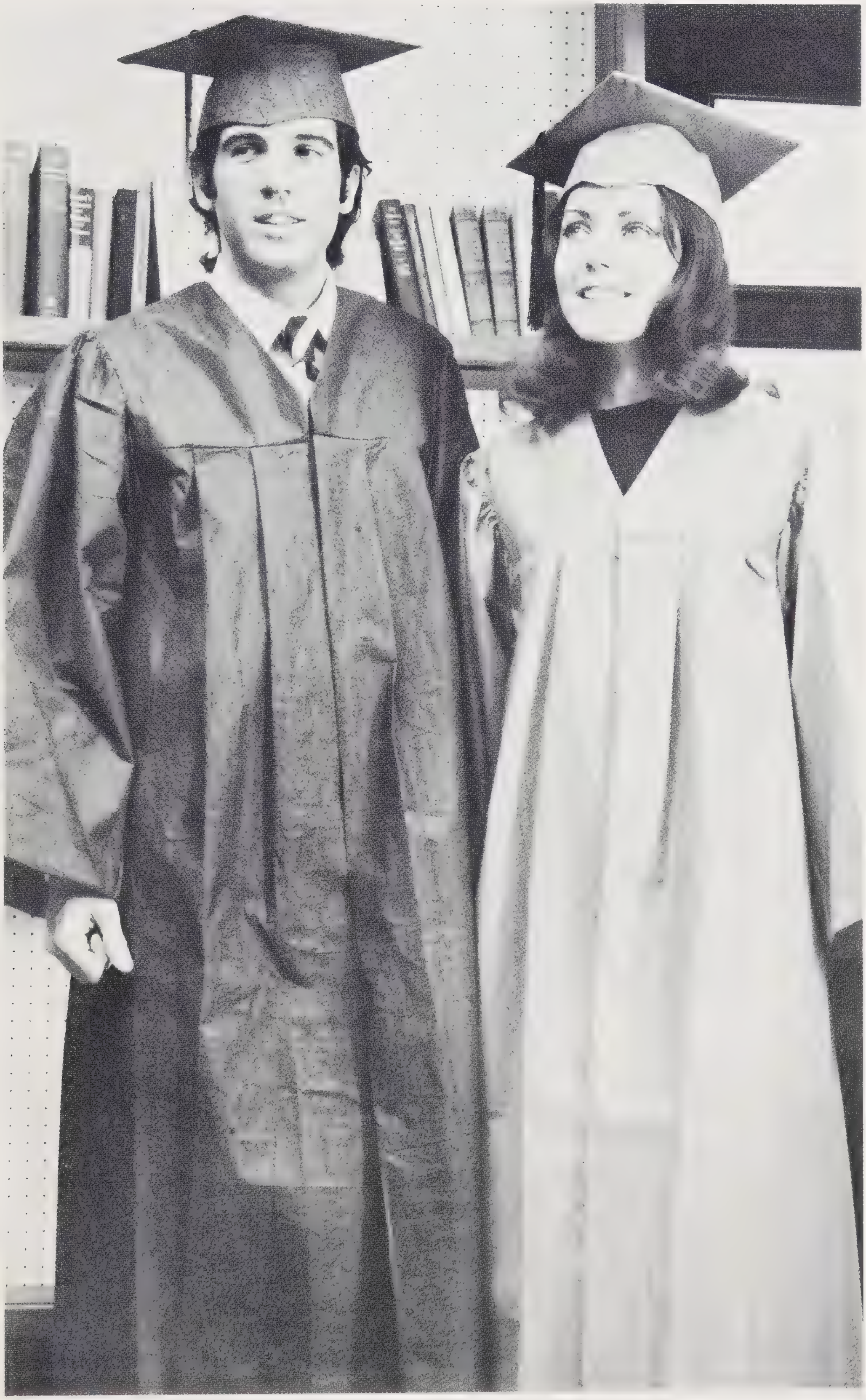
Acquired by Work Wear Corporation in 1968, Struble & Moffitt completed its 20th year of operations during 1969, establishing new records in both sales and earnings.

In 1969 the company recorded several notable "firsts"—developing a pressure-sensitive headrest cover for the new Boeing 747 jets of Pan American Airways, and supplying headrest covers for the Penn Central's crack Metroliner trains.

The company also installed printing and additional fabricating facilities in its plant during the year, a step designed to allow for more exclusivity in production.

Struble & Moffit counts among its customers most of the nationally-known domestic and foreign airlines, supplying them with headrest covers, tray covers, slippers, towels, pillow cases and other disposable items.





"Career-Oriented Clothes" and Specialty Manufacturing Division

Corporate identity—"selling the company image," unifying a business theme or symbol for those who meet the public—has become one of the most important public relations objectives facing decision-making executives today.

"Career-Oriented Clothes," pioneered by Work Wear, have become a prime element in any consideration for corporate identification. In addition, "Career-Oriented Clothes" have a special value as an employee fringe benefit; the offer of an "instant wardrobe" is quite appealing to many women. The married woman returning to work or the young girl just out of high school or college welcomes a wardrobe that makes no demand on her paycheck.

The field, of course, is not exclusively female. Hundreds of thousands of attractively designed suits and uniforms for men have been introduced in almost every part of the country, and in every kind of activity from banks to baggage counters, from desks to dockside operations.

Interest in "uniforms" for women soared several years ago after Braniff International Airways startled the airlines industry with the introduction of its striking Pucci coordinated ensemble. Other airlines quickly followed with costumes by top name designers. The new garments—smart, contemporary and in high fashion colors—won immediate acceptance from airline management, employees and the public.

The concept soon spread to car rental agencies and other service industries and commercial establishments whose offerings and public identification objectives were basically the same.

During 1969 Work Wear developed, in conjunction with American Telephone & Telegraph Company, a selection of job-coordinated garments designed by Bill Blass and Oleg Cassini for both men and women. These "Career-Oriented Clothes" are now being tested in several areas and, at the option of A T & T, will eventually be extended to Bell Systems throughout the country on a lease-maintenance or purchase basis.

The scope of this corporate identity program emphasizes the widening recognition top management is giving to the increasing need for favorable corporate image-building through personnel.

Work Wear entered the "Career-Oriented Clothes" field ten years ago with its "Executive Service"—a shirt, slacks and blazer lease-maintenance service which guaranteed well-dressed employees and at the same time relieved management of the problems of a complicated uniform program.

Among Work Wear's current "Career-Oriented Clothes" customers are Air West, Ozark Airlines, Modern Air Transport, Stouffers, Eastern Airlines, Continental Airlines, Avis-Rent-A-Car (Canada), Manufacturers Hanover Trust Co., and many other prestigious leaders in their respective fields.

Industry sources estimate that "Career-Oriented Clothes" represent a potential $600 million market. Work Wear has already made notable contributions and expects to increase its own productivity in this area.

"Career-Oriented Clothes" and Specialty Manufacturing Division

In a year when national economic conditions and fluctuations in the fashion industry affected most manufacturers, **Apollo Knitting Mills, Inc.** successfully introduced its new "Missy" line, especially created for the young sophisticate between the ages of 25 and 40. Lavish use of color and the highest quality polyesters and novelty yarns have gone into the "Missy" line, which is to be increased during 1970.

Well received during 1969 was Apollo's traditional line of women's double-knit woolen and synthetic dresses and sportswear, sold to major department stores and outstanding specialty shops across the country.

As Work Wear's activity in the "Career-Oriented Clothes" market develops we anticipate a highly beneficial stabilizing effect on Apollo's production, sales and earnings.

A well-regarded name in fashion for more than 50 years, Apollo operates a plant in New York City, has showrooms in New York City, Chicago and Los Angeles, and maintains its own knitting facilities.

Sir Shirtmakers, a leading manufacturer of men's medium-priced shirts, recorded a strong year in 1969. Sales were up 30 per cent over 1968.

Heightened interest in men's fashions, with new stylings and greater emphasis on bright colors, was a major contributor to the earnings results. Sales prospects for 1970 are considered to be excellent.

A few of the prestigious accounts selling Sir Shirts under their own label are: Rich's, Atlanta; Halle Bros. Co., Cleveland; Grodin's, San Francisco; Marshall Field & Co., Chicago; Macy's, New York, Toledo, Kansas City and San Francisco; Davison's, Atlanta; Bamburger's, Newark; Kennedy's, Boston; and Hughes-Hatcher & Suffrin, Detroit.

A large percentage of this operation's production goes into the manufacture of dress-shirt quality shirts for career type employees such as the New York police, Braniff International Airways pilots, Washington, D.C. police, Piedmont Airline pilots, etc.

Sir Shirtmakers became part of Work Wear in 1960.

Main Street Fashions, Inc. designs, manufactures and distributes a line of fashion rainwear and all-weather coats whose diversity, imagination and expert craftmanship has kept Main Street a style leader in the rainwear field for over 30 years.

The designation "rainwear" in connection with Main Street is actually a misnomer; "all-purpose" coat is more descriptive of the non-stop performance which makes them indispensable to all types of women, for all occasions.

Main Street relies strongly on the uncluttered, classic styles which form a solid base for their operations, at the same time responding to the trends with a fashion fillip that has earned their eminent position.

Leading department stores and specialty shops throughout the country, including Saks Fifth Avenue, Bonwit Teller, Peck & Peck, I. Magnin, Lord and Taylor and Neiman-Marcus, distribute Main Street coats.

Main Street also manufactures and distributes apparel under the Bond Street fashions label in conjunction with Bill Blass, Inc. Mr. Blass, winner of the first Coty American Fashion Critics' Award, designs the Bond Street line.

As in the case of our Apollo Knitting Mills, Main Street also will benefit from the non-seasonal business resulting from our increasing activities in the "Career-Oriented Clothes" market. Stewardesses at Eastern Airlines, Braniff, Continental Airlines, Air West, and Modern Air Transport are among those currently wearing garments manufactured by Main Street.

International Division

Canada

Canada ranks as the second largest country in the world in terms of land area, yet contains a population slightly in excess of 21 million persons, about 10 per cent of that of the United States. The economic heart of this vast area is Ontario, the second largest of Canada's ten provinces, but the most populous and the most highly industrialized.

Work Wear Corporation, whose Cleveland headquarters are less than one hour by plane from Ontario, has entered the Canadian market with two major acquisitions, both announced during 1969. They are Sainlee Industries Limited, comprising Sainthill Levine and Company Limited and associated companies, Canada's largest manufacturer of uniforms; and, subject to shareholders' approval, Sunshine Uniform and Supply Company Limited, and its affiliated companies, one of Canada's largest industrial laundry operations. It is noteworthy that both Sainlee and Sunshine are headquartered in Toronto, the capital of the Province of Ontario and Canada's second largest city. More than 60 per cent of Canada's wealth, both in terms of manufacturing and commercial enterprise, is centered within a 100 mile radius of Toronto. It has long been the country's financial center and is the center of what is known as the "Golden Horseshoe" of industry.

This "across the border" extension of Work Wear activities is a natural and logical step for the corporation, adding a significant element to what is becoming more and more an international outlook for Work Wear.

Entrance lobby, Sainthill Levine and Company Limited, Toronto, Ontario

International Division

Sainlee Industries Limited forms the umbrella for a group of active divisions participating in the garment and uniform business in Canada. With its head office located in Toronto, and with manufacturing and warehouse facilities in Montreal, Joliette, Sherbrooke, Ottawa, Toronto, Hamilton, Edmonton and Vancouver, Sainlee has maintained its foremost position as the largest supplier of uniforms and career apparel in Canada.

Founded more than 40 years ago **Sainthill Levine and Company Limited** has maintained an outstanding reputation throughout Canada for the quality and durability of its numerous lines. Included among its customers are most of the larger oil companies, banks, breweries, bakeries, department stores, government agencies and civil institutions.

For the year ended December 27, 1969, the sales and earnings of Sainthill Levine showed an increase of 9 per cent over 1968. Included in these sales figures were three significant contracts: a new officer's uniform designed and produced by Sainthill Levine for the Canadian Armed Forces both at home and abroad; a newly designed uniform to be worn by superintendents, guards and other employees of all provincial correctional institutions supervised by the Province of Ontario, including a contract for Federal penitentiaries; and 7,000 uniforms for the Canada Post Office. In addition, as it has for the past 15 years, the company supplied uniforms for the Toronto Metropolitan Police Force, Canada's largest law enforcement agency.

The Company is a major supplier of gowns for clerical, choir, judicial and legal use. It also produces gowns, hoods and band uniforms for academic use. The proliferation of new colleges and universities throughout Canada has resulted in a large market for sales and rentals of these products. Under its Ti-Tan Uniforms division, the Company, working through a Canada-wide network of dealer agents, handles a variety of uniform requirements.

Rex-Nash Tailors Limited manufactures fine clothing for business executives under the Warren Austin label. In addition, the Company operates a Michaels/Stern Clothes division under franchise from the American company, and markets a medium priced line of ready-to-wear suits and sports ensembles through selected men's wear stores. Michaels/Stern garments are trendsetters in today's fashion world.

Sainthill Levine (Quebec) Limited maintains a showroom and warehouse in Montreal to service Quebec, the largest city in Canada, and the eastern provinces.

J. E. Wiegand & Co. Limited manufactures uniform shirts in a variety of styles and colors for many large corporations in Canada. The Company has once again been awarded the contract for the manufacture of shirts for the Boy Scouts of Canada.

Wiegand is the exclusive manufacturer under license of "Manhattan" shirts in Canada. This operation was undertaken by the company late in 1968 at a newly enlarged plant in Hamilton. The sales of this complete line of dress shirts have been most gratifying and management anticipates an increase of approximately 25 per cent in 1970.

For all Sainlee operations shipments during the first two months of 1970 showed a decided increase over the similar period in 1969 and orders awaiting delivery are higher than the same period one year ago. The year promises to be an excellent one for the company.

Manufacturing and finishing operations at
Sainthill Levine and Company Limited

Executive Office
Sunshine Uniform and Supply Co., Limited
Toronto, Ontario

Huge warehouse of garments
manufactured at the Anchor Textile
division and warehoused there prior to
going into rental service

Canada

Sunshine Uniform and Supply Co. Limited has been a family-owned business whose origins extend back more than 40 years. Affiliated companies, acquired over the years, have enabled Sunshine to develop a commanding position in the rental and manufacture of uniforms, linens and other textile items. The Company is one of Canada's most prominent industrial laundry operations and serves the entire Province of Ontario.

Since the acquisition of Sunshine by Work Wear was not completed until late January, 1970, subject to shareholders' approval at the annual meeting April 20, 1970, its sales and earnings are not included in the financial statements. However, it is noteworthy to speculate on the future contributions this important addition to Work Wear Corporation can make in the years ahead. The quality and quantity of its clients and customers is impressive. Its roster of national and international names is quite long. The Province of Ontario and the Royal Bank of Canada are included, as are Gulf Oil, Shell Oil, Imperial Oil, General Motors, Chrysler Corporation, American Motors and Firestone Tire and Rubber.

Other prominent concerns utilizing Sunshine's services are Coca-Cola, Seven-Up, Kimberly-Clark, International Business Machines, Fina, General Foods and Du Pont; Westinghouse and General Electric, Simpson-Sears and North American Cyanamid.

Last year's annual revenues exceeded $14 million. With Canada's continuing population growth, and assuming no interruption in the country's economic growth, Sunshine is expected to play an increasingly prominent role in Work Wear's earnings projections.

Belgium

Work Wear entered the Common Market countries of Europe in July, 1968, with the acquisition of **Establissementen Van Moer, S.A.** This firm, a leading European manufacturer and distributor of service apparel and other work clothes, was established almost thirty years ago by Victor Van Moer. Its factory is in the town of Hulshout, outside Brussels, and about 60 miles from Antwerp, where an office is also maintained.

During 1969 Ets. Van Moer became a representative in the Common Market countries for Work Wear's non-woven items in the hospital field. A number of new accounts were added to an already sizeable list of long-time clients. Among the prominent companies and corporations being served are American Air Filter, Bell Telephone, Chevron, Croix Rouge De Belgique, Du Pont De Nemours, Esso Belgium, Fina, Philips, R.T.T., Belgian Railways, Union Miniere Du Katanga, Fort and Glaverbel.

In addition, Antwerp-Lion Oil Works, Antwerp & Rotterdam Oil Storage Ltd., Bon Marche, Galeries Anspach, Belgian Electric Lighting Boards, Colgate Palmolive, Brady Europe and Bayer.

Ets. Van Moer is planning an extensive sales program for 1970 and has established agents for representation in West Germany and Italy.

Japan

The world's attention will be focused this year on Japan, with a record international attendance forecast for Expo '70 in Osaka.

Work Wear views Japan with a special significance since it was in that country in 1964 that the corporation's subsidiary, Red Star Industrial Service, made its first overseas investment, purchasing a minority interest in **Sani-Kleen Tokyo Co. Ltd.** The unusually rapid growth of Sani-Kleen has prompted Work Wear to enlarge its holdings. It is now negotiating to obtain 100 per cent interest in Sani-Kleen.

Organized just ten years ago, Sani-Kleen offers a dust control rental service to an expanding number of businesses in the country. In addition to its Tokyo headquarters, there are seven franchise plants in other areas of Japan.

The plant on the outskirts of Tokyo, Mizonoguchi, has outgrown its facilities and a much larger site is now being investigated. Growth of the operation in Osaka has necessitated expanded production facilities, now under construction.

During 1969 Sani-Kleen recorded its highest sales and profits since its founding in 1960. Impressive gains were also reported by the franchise operations. A 25 per cent increase in sales and earnings has been projected by Sani-Kleen for 1970.

Active negotiations are in progress for the acquisition of the largest linen supply company in Tokyo, which should be consumated during 1970.

With such dramatic increases and expansion, Work Wear expects to realize attractive revenues from its Japanese affiliation during the year.

Financial Review

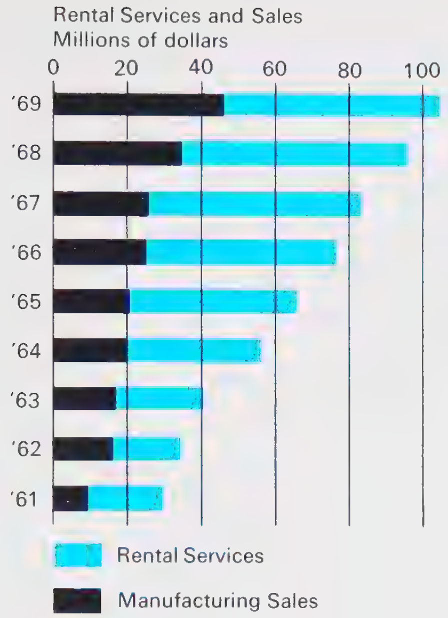
Working capital of $29.1 million at year end was the highest in the Company's history in dollars as well as in relation to the volume of business conducted. Changes in working capital resulted in a net increase for the year of $4.4 million. Current assets exceeded current liabilities by a ratio of 2.2 to 1.

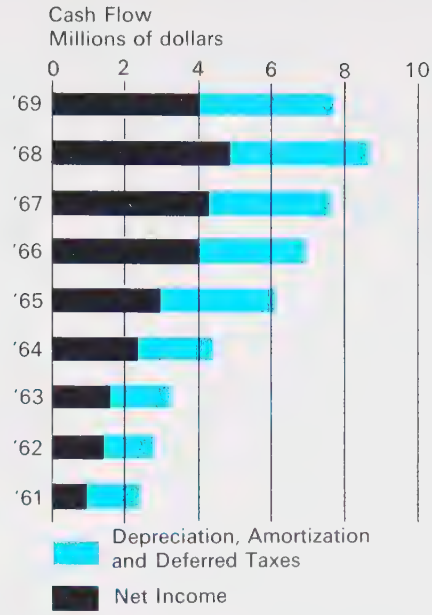
Shareholders' equity increased a net of $3.4 million in 1969, or 11 per cent, resulting from net income of $4 million and over $500,000 from debenture conversions and Common Stock issued under the Company's Stock Option Plan, less $1.1 million in dividends declared.

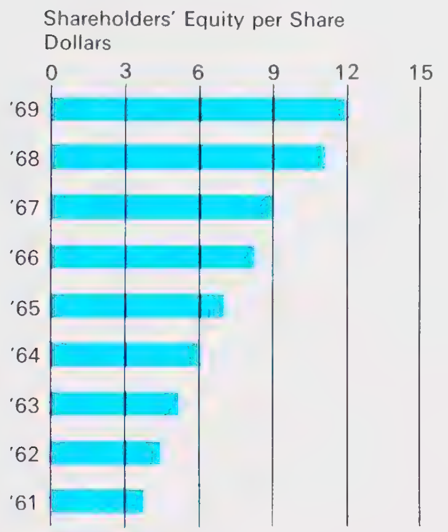
Net additions to property, plant and equipment, other than assets acquired through acquisition, totaled $2.8 million for the year. Approximately $200,000 of this amount represented the completion of our new manufacturing facility at Joplin, Missouri, which was financed through an industrial revenue bond issue, while the remainder was covered by depreciation of $2.7 million.

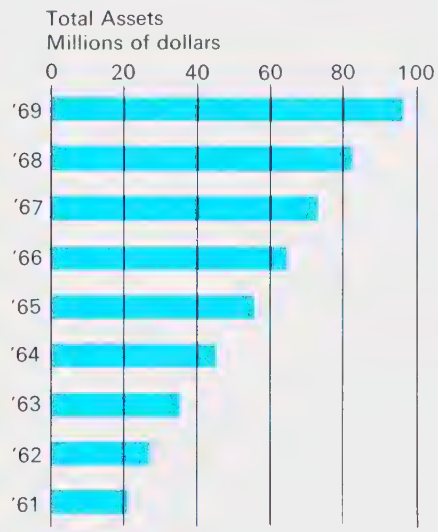
Although short term notes payable to banks showed a net increase of $1.9 million during the year, short term notes owed to banks by a subsidiary at the time of its acquisition exceeded this amount by $200,000. Long term debt, including the portion due within one year, increased only $449,000. During the year we added $4.7 million to our revolving loan with banks and a net of $149,000 to loans secured by the cash surrender value of life insurance and other miscellaneous debt. Against this, we paid off a total of $4.4 million of long term debt, including $1 million of bank debt. Long term debt maturities at year end, excluding bank debt, will decline in future years as shown in the accompanying chart. The revolving loan with banks maturing in April, 1971, will be refinanced and extended prior to that time.

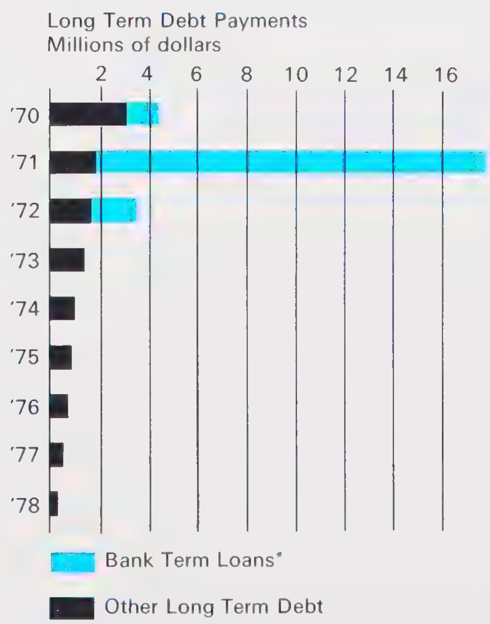
During the year, we issued $2.9 million of 5 per cent Convertible Subordinated Debentures in connection with an acquisition. The 4¾ per cent Convertible Subordinated Debentures were further reduced by approximately $500,000, representing conversions into 34,783 shares of Common Stock. As of year end, a total of $3.2 million out of the original $6 million of these debentures had been converted into 226,245 shares of Common Stock. Since the debentures converted can be applied as a credit against annual sinking fund payments of $300,000, no such payment is required until 1980.











*See text on preceding page

Nine Year Statistical Summary

	1969	1968	1967
Income from Rental Services	$ 63,765,000	62,167,000	56,239,000
Net Sales of Manufactured Products	$ 44,893,000	33,722,000	26,624,000
Total Revenues	$108,658,000	95,889,000	82,863,000
Pre-Tax Income	$ 8,550,000	10,488,000	8,034,000
Income Tax Provision	$ 4,535,000	5,474,000	3,826,000
Net Income	$ 4,015,000	5,014,000	4,208,000
Depreciation and Amortization	$ 3,422,000	3,308,000	3,175,000
Income Tax Provision—Deferred Portion	$ 488,000	706,000	268,000
Cash Flow	$ 7,925,000	9,028,000	7,651,000
Net Property Additions (excluding business acquisitions)	$ 2,819,000	2,463,000	3,522,000
Current Assets	$ 54,109,000	45,036,000	39,094,000
Current Liabilities	$ 24,977,000	20,327,000	23,173,000
Working Capital	$ 29,132,000	24,709,000	15,921,000
Total Assets	$ 94,452,000	83,712,000	72,438,000
Shareholders' Equity	$ 33,733,000	30,289,000	24,937,000
Number of Employees	10,266	7,748	7,376
Percent of Net Income to Average Shareholders' Equity	12.5%	18.2%	18.8%
Percent of Net Income to Total Revenues	3.7%	5.2%	5.1%
Percent of Cash Flow to Total Revenues	7.3%	9.4%	9.2%

Per Share Data

	1969	1968	1967
Net Income (after preferred dividend requirements retroactively applied)	$ 1.40	1.80	1.57
Cash Flow	$ 2.89	3.36	2.99
Dividends on Common Stock	$ .60	.60	.55
Earnings Reinvested	$ 1.05	1.56	1.41
Common Shareholders' Equity	$12.10	11.02	9.35

1966	1965	1964	1963	1962	1961
51,160,000	44,851,000	32,691,000	23,794,000	20,148,000	15,985,000
25,995,000	21,076,000	20,705,000	17,498,000	15,690,000	13,244,000
77,155,000	65,927,000	53,396,000	41,292,000	35,838,000	29,229,000
7,912,000	6,079,000	5,215,000	3,750,000	3,280,000	2,744,000
3,871,000	2,963,000	2,690,000	1,886,000	1,567,000	1,324,000
4,041,000[1]	3,116,000	2,525,000	1,864,000	1,713,000	1,420,000
2,805,000	2,518,000	1,949,000	1,480,000	1,177,000	825,000
112,000	479,000	117,000	7,000	76,000	28,000
6,958,000	6,113,000	4,591,000	3,351,000	2,966,000	2,273,000
3,273,000	2,167,000	2,070,000	1,269,000	1,217,000	807,000
33,099,000	27,577,000	24,988,000	18,030,000	15,772,000	12,119,000
19,723,000	12,687,000	12,912,000	9,608,000	6,601,000	6,676,000
13,376,000	14,890,000	12,076,000	8,422,000	9,171,000	5,443,000
62,590,000	54,351,000	46,020,000	32,808,000	26,544,000	20,897,000
19,830,000	18,635,000	15,980,000	13,650,000	12,103,000	10,441,000
7,216	6,300	6,148	4,267	3,659	3,080
21.0%[1]	18.0%	17.0%	14.5%	15.2%	14.0%
5.2%	4.7%	4.7%	4.5%	4.8%	4.9%
9.0%	9.3%	8.6%	8.1%	8.3%	7.8%
1.53[1]	1.17	.93	.67	.61	.49
2.76	2.43	1.82	1.33	1.18	.90
.50	.45	.40	.38⅛	.37½	.28⅛
1.47[1]	1.11	.89	.63	.58	.49
7.75	7.28	6.23	5.30	4.69	4.03

[1] Before extraordinary deduction of $2,527,000

Consolidated Statement of Income

	1969	1968
Income from rental services	$ 63,765,000	$ 62,167,000
Net sales of manufactured products	44,893,000	33,722,000
	108,658,000	95,889,000
Cost of products sold and of rental services	69,872,000	59,371,000
Selling, rental delivery, general and administrative expenses	27,162,000	23,429,000
Interest expense	2,736,000	2,130,000
Other expense	338,000	471,000
	100,108,000	85,401,000
	8,550,000	10,488,000
Provision for income taxes (Note H)	4,535,000	5,474,000
Net Income	$ 4,015,000	$ 5,014,000
Per share applicable to Common and Class B Common after preferred dividend requirements	$1.40	$1.80
Per share assuming exercise of options and full conversion of all convertible subordinated debentures and preferred stock	$1.18	$1.55

Consolidated Statement of Retained Earnings

	1969	1968
Balance at beginning of year	$ 22,974,000	$ 18,779,000
Net income	4,015,000	5,014,000
	26,989,000	23,793,000
Dividends:		
Preferred Stock ($.45 per share)	135,000	135,000
Second Preferred Stock, Series 1 ($4.75 per share)	48,000	—
Common Stock ($.60 per share)	909,000	635,000
Class B Common Stock ($.03 per share)	37,000	49,000
	1,129,000	819,000
Balance at end of year	$ 25,860,000	$ 22,974,000

Consolidated Statement of Additional Paid-In Capital

	1969	1968
Balance at beginning of year	$ 4,285,000	$ 3,216,000
Additions:		
Proceeds in excess of par value from sale of Common Stock under Stock Option Plan	80,000	92,000
Excess of principal amount of debentures over par value of 34,783 shares (83,195 shares in 1968) of Common Stock issued on conversion of debentures	449,000	1,071,000
Deductions:		
Cost of Treasury stock in excess of par value	—	74,000
Costs in connection with merger	13,000	20,000
	$ 4,801,000	$ 4,285,000

Summary of Changes in Working Capital

Increases	1969	1968
Net income for the year	$ 4,015,000	$ 5,014,000
Add non-cash charges deducted to arrive at net income—Depreciation and leasehold amortization, covenant and patent amortization and provision for deferred income taxes	3,660,000	3,364,000
	7,675,000	8,378,000
Additional long-term debt	546,000	7,498,000
Proceeds from issuance of convertible debentures	2,359,000	2,400,000
Proceeds from sale of Common Stock under Employee's Stock Option Plan	88,000	99,000
Decrease in investments and other assets, etc.	73,000	84,000
	10,741,000	18,459,000
Decreases		
Additions to property, plant and equipment	3,580,000	3,832,000
Less carrying value of property disposed of	217,000	176,000
	3,363,000	3,656,000
Purchase of intangibles	1,826,000	5,196,000
Dividends	1,129,000	819,000
	6,318,000	9,671,000
Net increase in working capital	4,423,000	8,788,000
Working capital, beginning of year	24,709,000	15,921,000
Working capital, end of year	$29,132,000	$24,709,000

Consolidated Balance Sheet

Assets

	December 27 1969	December 31 1968
Current assets:		
Cash (Note F)	$ 4,665,000	$ 4,016,000
Accounts and notes receivable, less allowance for doubtful accounts of $374,000 in 1969 and $423,000 in 1968	19,702,000	15,674,000
Inventories (Note B)	28,979,000	24,397,000
Prepaid insurance, rents, taxes, etc.	763,000	949,000
	54,109,000	45,036,000
Investments and other assets:		
Miscellaneous investments, at cost	691,000	589,000
Cash surrender value of insurance ($5,500,000) on lives of officers (Notes F and L)	1,519,000	1,381,000
Miscellaneous receivables	295,000	396,000
Unamortized debenture discount	61,000	77,000
Funds in trust for plant construction	—	223,000
	2,566,000	2,666,000
Property, plant and equipment, at cost (Notes C and D):		
Land and buildings	8,906,000	8,235,000
Machinery and equipment	19,085,000	17,784,000
Automobiles and trucks	3,636,000	3,272,000
Leasehold improvements	1,486,000	1,389,000
Furniture and fixtures, etc.	1,107,000	950,000
	34,220,000	31,630,000
Depreciation and amortization	15,034,000	13,081,000
	19,186,000	18,549,000
Intangibles:		
Purchased routes, service contracts and goodwill (Note E)	15,995,000	14,175,000
Covenants and agreements, less amortization (Note D)	1,743,000	2,346,000
Patents, less amortization (Note D)	853,000	940,000
	18,591,000	17,461,000
	$94,452,000	$83,712,000

Liabilities

	December 27 1969	December 31 1968
Current liabilities:		
Notes payable to banks	$ 4,086,000	$ 2,236,000
Current portion of long-term debt (Note F)	4,211,000	4,308,000
Convertible subordinated debentures due within one year (Note I)	555,000	—
Accounts payable	7,975,000	6,153,000
Accrued payrolls, taxes, interest, etc.	3,248,000	2,498,000
Dividends payable	330,000	285,000
Accrued income taxes		
Currently payable	2,546,000	3,071,000
Deferred	2,026,000	1,776,000
	24,977,000	20,327,000
Long-term debt (Note F)	27,604,000	27,058,000
Deferred income taxes	605,000	367,000
Convertible subordinated debentures (Note I)	7,533,000	5,671,000
Shareholders' equity:		
Capital stock (Notes G and J)		
Preferred, $1 par value		
Authorized and issued 300,000 shares	300,000	300,000
Second Preferred Stock, authorized 2,000,000 shares		
Series 1, $1 par value		
Authorized — 20,000 shares		
Issued — 10,000 shares	10,000	10,000
Common, $1 par value		
Authorized — 10,000,000 shares		
Issued — 1,614,411 shares in 1969		
and 1,385,323 shares in 1968		
(after deducting 3,500 treasury shares)	1,614,000	1,385,000
Class B Common, $1 par value		
Authorized — 2,147,381 shares		
Issued — 1,147,381 shares in 1969		
and 1,334,424 shares in 1968	1,148,000	1,335,000
Additional paid-in capital	4,801,000	4,285,000
Retained earnings (Note G)	25,860,000	22,974,000
	33,733,000	30,289,000
Commitments, contingent liabilities and subsequent events (Notes L and M)		
	$94,452,000	$83,712,000

Notes to 1969 Consolidated Financial Statements

NOTE A—PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Work Wear Corporation and all its subsidiaries. The foreign currency accounts of subsidiary companies in Canada and Belgium were translated to U.S. dollars at appropriate exchange rates. In 1969, the Parent Company and manufacturing subsidiaries changed their year ends from a calendar year end to a fiscal year ending on the last Saturday in December which conforms with the year ends of the rental subsidiaries. This change did not materially reduce net income.

NOTE B—INVENTORIES

	Manu-facturing Divisions	Rental Services Division	Total
Raw materials	$ 7,393,000	—	$ 7,393,000
Finished goods on hand and on lease	11,275,000	$10,311,000	21,586,000
	$18,668,000	$10,311,000	$28,979,000

The inventories, except goods on lease, are stated at the lower of cost or market, cost being generally on the first-in, first-out basis. Goods on lease are stated at cost less amounts provided to write off cost over the estimated lives.

NOTE C—LEASED BUILDINGS

The Company and its subsidiaries lease buildings at various locations under terms which, in most cases, provide renewal options. Generally, the leases expire on various dates from 1970 through 1987. At December 27, 1969, the companies' annual rental commitments were $997,000, plus in most cases related property taxes, insurance, etc.

NOTE D—DEPRECIATION AND AMORTIZATION

Depreciation and amortization of leasehold improvements is computed principally on the straight-line method and amounted to $2,727,000 in 1969 and $2,592,000 in 1968. Amortization of covenants and agreements and of patents is computed over their respective terms on the straight-line method and totaled $695,000 in 1969 and $716,000 in 1968.

NOTE E—PURCHASED ROUTES, SERVICE CONTRACTS AND GOODWILL

The $15,995,000 assigned to purchased routes, service contracts and goodwill represents principally the excess of acquisition costs of companies acquired over the amounts allocable to tangible assets. In the opinion of management the value of these intangibles is conservatively stated as related to the number of routes and volume of business. Accordingly, this amount will be carried until such time as it may be evident to the Company's management that a reduction should be made, either through systematic amortization charges to income or extraordinary write off.

NOTE F—LONG-TERM DEBT

	Total	Due within one year	Due after one year
Work Wear Corporation:			
Notes payable to banks (1)	$18,800,000	$1,000,000	$17,800,000
5% to 6½% notes due at varying dates to 1977	4,463,000	1,937,000	2,526,000
5% notes payable to insurance companies (2)	1,174,000	—	1,174,000
Subsidiaries:			
4% to 8½% notes due at varying dates to 1988 (3)	5,529,000	977,000	4,552,000
Payable under covenent agreements due at varying dates to 1982	1,187,000	271,000	916,000
Industrial revenue bonds due at varying dates to 1982	662,000	26,000	636,000
	$31,815,000	$4,211,000	$27,604,000

(1) Notes payable to banks include $14,800,000 payable under a 1969 revolving loan agreement evidenced by ninety-day notes which are guaranteed renewable, at ½% above the prime interest rate, until April 1, 1971. The agreement provides, among other things, that working capital shall exceed $24,000,000; that the ratio of current assets to current liabilities (as defined in the agreement) shall be maintained at not less than 2.25 to 1; that the ratio of total liabilities to net worth (including in net worth the subordinated debt) shall be maintained at not more than 1.75 to 1, and that the Company shall maintain commercial accounts at participating banks with minimum average cash balances totaling approximately $3,000,000. Other loan agreements require the Company to maintain $3,750,000 insurance on the lives of two officers of which $1,500,000 is assigned to the banks as security.

(2) Notes payable to insurance companies are secured by a pledge of cash surrender value of life insurance.

(3) Certain notes payable by subsidiary companies are secured by pledge of the capital stock of such subsidiaries. Other notes in the amount of $1,443,000 are secured by mortgages on real estate.

NOTE G—DIVIDEND RESTRICTIONS

Under the most restrictive terms of the loan agreements, cash dividends on capital stock are limited to one-half of consolidated net income earned after December 31, 1968; under this provision $879,000 is free from restriction.

NOTE H—INCOME TAXES

In 1969 and 1968 provisions for income taxes include taxes estimated to be payable of $4,047,000 and $4,767,000, respectively, and also include provision for the estimated effect on income taxes of timing differences between financial and taxable income.

NOTE I—CONVERTIBLE SUBORDINATED DEBENTURES

	1969	1968
4¾% debentures	$2,774,000	$3,271,000
5% debentures due October, 1988	2,400,000	2,400,000
5% debentures due in series to July, 1974	2,359,000	—
	$7,533,000	$5,671,000

Under the terms of the Indenture dated September 1, 1965, the 4¾% debentures are convertible, at the option of the holder, into shares of Common Stock of the Company at a conversion price of $14.25 at any time before September 1, 1985, which is the final maturity of the debentures. During 1969, $496,000 of these debentures were converted into 34,783 shares of Common Stock. In addition, the terms of the Indenture provide for a mandatory sinking fund payment of $300,000 in each year 1970 through 1984. Such payments may be made in cash or by a credit for debentures redeemed by the Company (otherwise than through the sinking fund) or converted into Common Stock. At December 27, 1969, $3,226,000 of debentures had been converted; accordingly, no sinking fund payment is required until 1980.

The 5% debentures due in October, 1988 are convertible, at the option of the holder, into shares of Common Stock of the Company at a conversion price of $27.77 at any time before the maturity date of the debentures, and are callable as a whole after September 30, 1972.

The 5% debentures due to July, 1974 are divided into five series, two of $555,000 which mature in July, 1970 and 1971 and three of $601,000 maturing in July, 1972, 1973 and 1974. These debentures were issued in connection with a 1969 acquisition and are convertible, at the option of the holder, into shares of Common Stock of the Company at a conversion price of $28 per share at any time before maturity.

NOTE J—CAPITAL STOCK AND STOCK OPTIONS

The Preferred Stock is entitled to preferred annual dividends of $.45 per share and will be convertible, on or after April 1, 1971, on a share-for-share basis into Common Stock; in the event of liquidation, it will be entitled to $15 per share ($4,500,000 in the aggregate).

The Second Preferred Stock is issuable in series with the Board of Directors being authorized to fix the number of shares in each series and in certain respects, to designate the express terms of the shares of

each series. The Second Preferred Stock ranks senior to the Company's Common Stock and Class B Common Stock, but junior to the Preferred Stock in payment of dividends and distribution in the event of liquidation. Series 1 is entitled to annual dividends of $4.75 per share, cumulative from May 1, 1969 for shares now outstanding. Each share is convertible on or before June 30, 1975 into 3.5 shares of Common Stock, is redeemable at any time at $100 per share and, in the event of liquidation, will be entitled to $100 per share ($1,000,000 in the aggregate).

At December 31, 1968, 76,003 shares of Common Stock were subject to outstanding options granted to employees under the Employees' Stock Option Plan and a further 8,420 shares were available for the granting of additional options. During 1969 shareholders approved the allocation of an additional 100,000 shares of Common Stock for the granting of additional options; options were granted for 35,030 shares; options were exercised for 7,262 shares, and cancelled for 1,875 shares. At December 27, 1969, the total number of shares subject to outstanding options was 101,896 at prices ranging from $11.75 to $24.00 and a further 75,265 shares were available for the granting of additional options.

A summary of shares of Common Stock reserved at December 27, 1969 is shown below:

Reserved under Stock Option Plan	177,161
Reserved for conversion of:	
Preferred Stock	300,000
Second Preferred Stock, Series 1	35,000
4¾% Convertible Subordinated Debentures	194,701
5% Convertible Subordinated Debentures due October, 1988	86,424
5% Convertible Subordinated Debentures due in series to July, 1974	104,063
	897,349

In addition, 1,147,381 shares of Common Stock are reserved for the conversion of the outstanding Class B Common Stock which is convertible into Common Stock on a share-for-share basis with 678,631 shares convertible at any time and 468,750 shares convertible on or after July 1, 1970. During 1969, 187,043 Class B Common shares were converted into Common Stock. The dividend rate of Class B Common Stock may not exceed 6% of the rate on Common Stock.

NOTE K—RETIREMENT PLANS

The Company and a number of subsidiaries have pension plans which provide for payments directly to unions which administer the plans for the covered union members; the cost for these plans for 1969 was $399,000 ($361,000 for 1968). The Company and a number of subsidiaries also have retirement plans providing for payments to a trustee; the cost for the trusteed plans for 1969 was $324,000 ($282,000 for 1968) which included amortization of prior service cost over 40 years. It is the policy to fund accrued pension cost.

NOTE L—COMMITMENTS AND CONTINGENT LIABILITIES

The Department of Justice has filed a civil complaint against the Company alleging that certain acquisitions of work clothing manufacturers and laundries were in violation of the Clayton Act. The Company denies that it has violated the Clayton Act and is vigorously defending its position.

At the Shareholders' Meeting on April 20, 1964, a plan was approved whereby a maximum of $4,000,000 of the proceeds of the insurance on the lives of three officers may be obligated for acquisition of capital stock from the estates of such officers.

NOTE M—SUBSEQUENT EVENTS

The Company has agreed, subject to Shareholders' approval, to acquire on a purchase basis all the outstanding stock of Sunshine Uniform and Supply Co., Limited and its affiliated companies, Canadian corporations, for cash and notes of $8,011,000 and 5% Convertible Subordinated Debentures due July 1, 1981 of $8,325,000. Debentures totaling $3,307,000 have been placed in escrow and will be released, in whole or in part, to the Sellers or returned to the Company contingent upon the net income of the Sunshine Companies during the four years 1970 to 1973. The unaudited net income of Sunshine and its affiliates for the year 1969 was $755,000 which together with the net income of Work Wear for 1969 amounts to $4,331,000 after giving pro forma effect to interest expense (less related federal income taxes), on the notes and debentures involved in the purchase.

Opinion of Independent Accounts

CLEVELAND, OHIO 44115
February 28, 1970

To the Board of Directors and
Shareholders of Work Wear Corporation

We have examined the consolidated balance sheet of Work Wear Corporation and its subsidiaries as of December 27, 1969 and the consolidated statements of income, retained earnings, additional paid-in capital and the summary of changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of Red Star Industrial Service and Industrial Control System, consolidated subsidiaries of Work Wear Corporation, were examined by other independent accountants whose reports have been furnished to us.

In our opinion, based upon our examination and the aforementioned reports of other independent accountants, the accompanying consolidated financial statements present fairly the consolidated financial position of Work Wear Corporation and its subsidiaries at December 27, 1969, the results of their operations and the supplementary information on working capital for the year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co


JAPAN


BELGIUM
GERMANY
ITALY

WORK WEAR corporation FACILITIES

DOMESTIC

EXECUTIVE OFFICES

Work Wear Corporation
Corporate and Manufacturing
Division Headquarters
1768 East 25th Street
Cleveland, Ohio
Office and Showroom
150 East 58th Street
New York, New York
Rental Services Division
4512 West Jefferson Boulevard
Los Angeles, California

RENTAL SERVICES DIVISION

Arrow Uniform Service
Philadelphia, Pennsylvania (L)
Buckeye Garment Rental Company
Cleveland, Ohio (L)
Dixie Uniform & Linen Supply
Orlando, Florida (L)
Jacksonville, Florida (L)
Sarasota, Florida (L)
Tampa, Florida (L)
Winterhaven, Florida (D)
Gates-Admiral Towel & Uniform Supply Co.
San Diego, California (L)
Gordon Linen Service, Inc.
Cambridge, Massachusetts (L)
Amherst, Massachusetts (D)
Dennisport, Massachusetts (D)
Industrial Control System
Paramount, California (L)
Hesperia, California (D)
Industrial Garment Service, Inc.
Chicago, Illinois (L)
Industrial Uniform & Towel Service, Inc.
Dallas, Texas (2) (L)
Greenville, Texas (D)
Longview, Texas (D)
Paris, Texas (D)
Sherman, Texas (D)
Tyler, Texas (L)
Mechanics Laundry Company
Detroit, Michigan (L)
Bay City, Michigan (D)
Flint, Michigan (D)
Grand Rapids, Michigan (D)
Lansing, Michigan (D)
Neway Uniform & Towel Supply of Florida, Inc.
Miami, Florida (L)
Progressive Uniform Service, Inc.
Detroit, Michigan (L)
Red Star Industrial Service
Los Angeles, California (L)
Bakersfield, California (D)
Chico, California (D)
Fresno, California (L)
Lompoc, California (L)
Modesto, California (D)
North Sacramento, California (L)
Oakland, California (2) (L)
Pomona, California (D)
Redding, California (L)
San Jose, California (2) (L)
Santa Rosa, California (D)
Rental Uniform Service
New Orleans, Louisiana (L)
Lafayette, Louisiana (D)
Rental Uniform Service of Bluefield, Inc.
Bluefield, Virginia (L)
Mount Airy, North Carolina (D)
Service Overall Supply Company
Lorain, Ohio (L)
Star Uniform Rental
Kent Coat and Apron Supply
Brooklyn, New York (L)
U. S. Industrial Glove Co.
Los Angeles, California (L)

CLEAN ROOM FACILITIES

Arrow Uniform Service
Philadelphia, Pennsylvania
Buckeye Garment Rental Company
Cleveland, Ohio
Rental Uniform Service
New Orleans, Louisiana (L)
S.P.A.C.E., Inc.
(U. S. Industrial Glove Co.)
Los Angeles, California

WORK CLOTHES, SERVICE APPAREL AND LINEN DIVISION

Work Wear Corporation
Cleveland, Ohio (O, F)
Brew-Schneider Mfg. Company, Inc.
New York, New York (O)
Miller Manufacturing Company
St. Louis, Missouri (O)

FACTORIES AND DISTRIBUTION CENTERS

Alexandria, Tennessee
Blakely, Georgia
Cleveland, Ohio
Erwin, Tennessee
Falmouth, Kentucky
Gonzales, Louisiana
Granby, Missouri
Joplin, Missouri
Laurel, Mississippi
Palestine, Texas
Pelham, Georgia
Pickens, South Carolina
Piedmont, Alabama
Richton, Mississippi

WAREHOUSES

Chicago, Illinois
Glendale, New York
Jacksonville, Florida
Los Angeles, California
Memphis, Tennessee

"CAREER-ORIENTED CLOTHES" AND SPECIALTY MANUFACTURING DIVISION

Sir Shirtmakers
New York, New York (SO)
Pickens, South Carolina (F)
Apollo Knitting Mills, Inc.
New York, New York (O, F, SR)
Chicago, Illinois (SR)
Los Angeles, California (SR)
Main Street Fashions, Inc.
New York, New York (O, F, SR)

DISPOSABLE PRODUCTS DIVISION

Mars Manufacturing Company, Inc.
Asheville, North Carolina (O, F)
New York, New York (SO)
Struble & Moffitt Company, Inc.
Philadelphia, Pennsylvania (O, F)

INTERNATIONAL

RENTAL SERVICES DIVISION

CANADA

Executive and General Offices
Toronto, Ontario
Sunshine Uniform and Supply Co. Limited
Toronto, Ontario (L)
Barrie, Ontario (D)
Belleville, Ontario (D)
Blind River, Ontario (D)
Cornwall, Ontario (D)
Kingston, Ontario (D)
North Bay, Ontario (D)
Ottawa, Ontario (L)
Owen Sound, Ontario (D)
Renfrew, Ontario (D)
Peterborough, Ontario (D)
Sault Ste. Marie, Ontario (L)
Sudbury, Ontario (D)
Northern Industrial Laundries Limited
Toronto, Ontario (L)
Nu-Way Laundry Limited
Lakehead Uniform Rental Limited
Thunder Bay, Ontario (L)
Belle Cleaners & Launderers Limited
Belleville, Ontario (L)
Maple Leaf Cleaners Limited
Central Overall Cleaners and Supply Company Limited
Toronto, Ontario (L)
National Sanitary Supply
Windsor, Ontario (L)
Chatham, Ontario (D)
Hamilton, Ontario (D)
Kitchener, Ontario (D)
London, Ontario (D)
Sarnia, Ontario (D)
Reliable Linen Service Limited
Toronto, Ontario (L)
Hamilton, Ontario (D)

JAPAN*

Sani-Kleen Tokyo Co., Ltd.
Tokyo, Japan (O, LS, DC)
Sani-Kleen Fukuoka Co., Ltd.
Fukuoka, Japan (RS, DC)
Sani-Kleen Hiroshima Co., Ltd.
Hiroshima, Japan (RS, DC)
Sani-Kleen Nagano Co., Ltd.
Nagano, Japan (RS, DC)
Sani-Kleen Nagoya Co., Ltd.
Nagoya, Japan (RS, DC)
Sani-Kleen Okayama Co., Ltd.
Okayama, Japan (RS, DC)
Sani-Kleen Osaka Co., Ltd.
Osaka, Japan (RS, DC)
Sani-Kleen Mizonoguchi Co., Ltd.
Mizonoguchi, Japan (RS, DC)

*25% ownership

WORK CLOTHES, SERVICE APPAREL, LINEN, UNIFORMS & MEN'S CLOTHING DIVISION

BELGIUM

Ets. Van Moer, S.A.
Hulshout, Belgium (O, F)
Rome, Italy (ER)
Aachen, Germany (ER)

CANADA

Anchor Textiles Limited
Toronto, Ontario (O, F, W)

Sainlee Industries Limited:

Sainthill Levine and Company Limited and Claremont Clothes Division
Toronto, Ontario (O, SR, F, W)
Sherbrooke, Quebec (F)
Joliette, Quebec (F)
Ottawa, Ontario (W)
Vancouver, B.C. (W)
Edmonton, Alberta (W)
Sainthill Levine (Quebec) Ltd. and Claremont Clothes Division
Montreal, Quebec (O, SR, W)
Rex-Nash Tailors Limited
Toronto, Ontario (O, SR, W)
J. E. Wiegand & Co. Limited
Toronto, Ontario (O, SR)
Hamilton, Ontario (O, SR, F, W)

Legend
(L) Laundry
(D) Depot
(RS) Restroom Service
(DC) Dust Control
(LS) Linen Service
(O) Office
(SO) Sales Office
(SR) Showroom
(W) Warehouse
(F) Factory
(ER) European Representative

DIRECTORS

Paul P. Dosberg	*Former President, Coverall Service and Supply Company*
Eugene H. Freedheim	*Partner, Hahn, Loeser, Freedheim, Dean & Wellman*
Ira Kirshbaum	*Executive Vice President*
Joseph B. Kirshbaum	*Executive Vice President*
Charlotte R. Kramer	*Officer, Subsidiary Companies*
Milton A. Kramer	*Senior Executive Vice President*
Charles A. Moore	*Director and Assistant to the Chairman of Dresser Industries, Inc.*
William G. Rabe	*Honorary Director, Manufacturers Hanover Trust Co.*
Leighton A. Rosenthal	*President*

OFFICERS

Leighton A. Rosenthal	*President*
Milton A. Kramer	*Senior Executive Vice President, Manufacturing and Central Administration and Secretary*
Joseph B. Kirshbaum	*Executive Vice President, Rental Services Division*
Ira Kirshbaum	*Executive Vice President, Rental Services Division—Production and Engineering*
Lewis H. Walters	*Vice President, Sales—Manufacturing*
John G. Lamb	*Treasurer*
Carl H. Hulsman	*Controller*

TRANSFER AGENT AND REGISTRAR

Central National Bank of Cleveland and The Chase Manhattan Bank, New York

AUDITORS

Price Waterhouse & Co., Cleveland, Ohio

COUNSEL

Hahn, Loeser, Freedheim, Dean & Wellman, Cleveland, Ohio


USS
SHERWIN-WILLIAMS
Dr Pepper
AVIS
NATIONAL AIRLINES
Esso
HARSHAW
FORD
MERCURY
LINCOLN
RICHARDS CENTER
RICHARDS BLDG.
PAA
AA
ALLIS-CHALMERS
WESTERN AIRLINES
BUICK
FISHER
UNITED
BUTLER aviation
Budweiser
QUAKER STATE PRODUCTS
REX CHAINBELT INC.
EXPERIMENTAL ENGINEERING DIVISION
POST OFFICE DEPT. U.S.A.
FRUEHAUF TRAILERS
BORON
RINKER MATERIALS CORP.
PURINA CHOWS
STUDENT TRAINING CENTER
Gaylord Boxes
CHEVROLET
EASTERN
JOHN DEERE
Timberland
Rath BLACK HAWK MEATS
BELVIDERE ASSEMBLY PLANT
CHICAGO-O'HARE INTERNATIONAL AIRPORT
FLEET-WING
TWA
OBERLIN COLLEGE
Abex
TRW
SOHIO
Hertz
THE PORT OF NEW YORK AUTHORITY
HORN & HARDART
CHEVROLET by Don Allen
MARY CARTER PAINT FACTORIES
U.S. Steel Supply Service Center
Mickelberry's SAUSAGE PRODUCTS
N.Y.S. THRUWAY
HOME MILK PRODUCERS
Sinclair
CBS
FORD
PAN AM
Budd
Firestone
McARTHUR JERSEY FARM DAIRY
United Delco
Weyerhaeuser Company

WORK WEAR CORPORATION 1768 E. 25th St. Cleveland, Ohio 44114

Litho in U.S.A.